



AN ACT SHORTENING A CONSTRUCTION CONTRACTOR'S OBLIGATION TO PAY INTEREST ON A DELAYED PERIODIC OR FINAL PAYMENT TO A SUBCONTRACTOR FROM 30 DAYS PLUS 3 WORKING DAYS TO 30 DAYS; PROVIDING THAT ONLY ACCEPTANCE OF A FINAL PAYMENT, RATHER THAN ACCEPTANCE OF A PROGRESS PAYMENT OR FINAL PAYMENT, RELEASES ANY CLAIM FOR INTEREST; AND AMENDING SECTION 28-2-2104, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 28-2-2104, MCA, is amended to read:

"28-2-2104. Obligations upon delay of payment. (1) If a periodic or final payment that is required by a construction contract to be paid by an owner to a contractor is delayed by more than 30 days from the date the payment is required by the contract to be made, the owner shall pay to the contractor interest, beginning on the day following the date when the payment is due, at the rate of 1 1/2% a month or a pro rata fraction of that amount on the unpaid balance. If the contractor receives interest from the owner for a delayed payment by the owner, the contractor shall ensure that any interest accrued on a delayed payment is distributed by the contractor to subcontractors on a pro rata basis.

(2) If a periodic or final payment required by a subcontract to be paid by a contractor to a subcontractor is delayed for more than 30 days ~~plus 3 working days~~ from the date the payment is required by the subcontract to be made, the contractor shall pay to the subcontractor interest beginning on the day following the date when the payment is due, at the rate of 1 1/2% a month or a pro rata fraction of that amount on the unpaid balance. If a subcontractor receives interest from the contractor for a delayed payment by the contractor, the subcontractor shall ensure that any interest accrued on the delayed payment is distributed by the subcontractor to other subcontractors, if any, on a pro rata basis.

(3) Acceptance of ~~progress payments or~~ the final payment releases any claim for interest on the payment."

- END -

I hereby certify that the within bill,
HB 0357, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2009.

President of the Senate

Signed this _____ day
of _____, 2009.

HOUSE BILL NO. 357

INTRODUCED BY BERRY, HUNTER, GLASER

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